



TRANSPARENCY INTERNATIONAL AUSTRALIA

Embargo: 8pm AEST Wednesday, October 4 2006

Australia needs action to regain top anti-corruption position

Australian businesses need clearly defined anti-corruption policies that all staff understand and act upon, the Chairman of Transparency International Australia, Mr Frank Costigan QC said today.

The comments followed today's announcement that Australia is the third cleanest country in the 2006 Bribe Payers Index.

Australia has fallen from first place in 2002 in the Index released by Berlin-based Transparency International, though an increase in the number of countries included and different questions prevent direct comparison. The Index measures the behaviour of the world's top 30 exporting nations.

"Australia is regarded as the third least likely of the top 30 trading nations to have businesses involved in corrupt practices, in the opinion of 11,200 business executives surveyed in 125 countries," Mr Costigan said.

"As far as Australia is concerned the results no doubt reflect the conclusions of the Volcker Inquiry into Oil for Food. The timing of the survey means that the investigations of the Federal Government's Cole Inquiry which followed would have had little, if any, impact on its conclusions. We can expect that it will be of importance in the next survey," Mr Costigan said.

Mr Costigan said Transparency International Australia is concerned that our national reputation has suffered in recent times and is keen to see more work done to enable Australia to regain the top position.

"The fight against corruption is on-going. Even companies with strong records of probity must remain vigilant, especially when venturing into export markets.

"Companies must instigate the highest standards against bribery of officials and other corruption through Codes of Conduct applying to overseas as well as local staff. Commitment and action are needed," Mr Costigan said.

He said Governments help by signing and adhering to international anti-corruption conventions, passing anti-bribery laws and providing sufficient resources to enforce them, as well as running education campaigns to ensure the corporate sector is aware that bribery is illegal at home and abroad.

He said that through the Minister for Justice and Customs, Senator Chris Ellison, the Australian Government had endorsed stronger moves to outlaw the bribing of officials by Australian companies operating overseas.

"However, the government still has to implement a number of reforms recommended pursuant to the *OECD Convention on Combating Bribery and Corruption of Foreign Public Officials* Report which Australia ratified in 1997.

"Media reports that only 51 per cent of Australia's top 100 companies have policies in place to prohibit kickbacks offshore and fewer implement those policies (*AFR*, May 29 2006) show that more action is necessary."

"Many Australian companies operating abroad are now alert to the threat to their reputation and have taken action to prevent bribery and sought advice and assistance from professional service companies," Mr Costigan said.

Mr Costigan said changes to the criminal and corporate law in the past decade had seen the trend for upward movement in accountability for such anti-corruption measures to include directors as well as operational staff.

He said that while companies may complain about the cost of compliance, failure to comply costs very much more.

Transparency International promotes standards and uses tools such as the Index to maintain pressure on companies and nations to meet those standards.

The survey information was collected between February and May 2006 as part of the Executive Opinion Survey run by partner institutes of the World Economic Forum, using face to face interviews and telephone, mail and internet response.

The survey does not identify cases of corruption or individual company behavior, but on a nation by nation basis.

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